

- 1 -

SHELL PROGRAM ON THE CANADIAN NORTH

INTRODUCTION

In the year 1935 the Rt. Hon. Louis St. Laurent introduced a Bill into the House of Commons to set up a Department of Northern Affairs and National Resources. In that introduction he used the expression "happily we have the North which is a continued source of life". In that expression he caught the essence of the Canadian attitude towards the North during most of our history. However the Act that set up the Department did contain all the necessary powers for the Federal Minister to coordinate all other departments and the responsibility to initiate and supervise the development and preservation of the North.

BY HON. ALVIN HAMILTON, P.C.  
Scarborough College (U. of T.)  
January 28, 1971

In my judgment the first Minister appointed to this very important portfolio took the attitude that the Prime Minister had referred to in his opening speech. He stated that since resources belonged to the Federation that there was not very much he could do in that regard. So the new Department became an extension of the Department of Indian Affairs plus Wildlife. This attitude should immediately be modified by adding that in the new Department were many individuals who were concerned about the future of the North. Inspired by an attitude of the imagination was the resource department.

05661

There was a marked change in 1967. By an unusual coincidence in the continual changing process of politics a northern fact emerged. The Minister of Northern Affairs and National Resources, James

POLAR  
PAM  
668

POLARPAM



## INTRODUCTION

In the year 1953 the Rt. Hon. Louis St. Laurent introduced a Bill into the House of Commons to set up a Department of Northern Affairs and National Resources. In that introduction he used the expression "apparently we have looked at the North with a continued absence of mind". In that statement I believe he caught the essence of the Canadian attitude towards the North during most of our history. However the Act that set up the Department did contain all the necessary powers for the Federal Minister to have control over all other departments and the responsibility to initiate actions and supervise the development and preservation of this vast area.

In my judgement the first Minister appointed to this very important portfolio took the attitude that the Prime Minister had referred to in his opening speech. He stated that since resources belonged to the Provinces that there was not very much he could do in that regard. So the new Department became an extension of the Department of Indian Affairs plus Eskimos. This statement should immediately be modified by adding that in the new department were many enthusiasts about the future of the North. However by no stretch of the imagination was it a resource department.

There was a marked change in 1957. By an unusual coincidence in the continual churning process of politics a northern buff became the Minister of Northern Affairs and National Resources. There had





been many others who knew more and had done more to try to make Canadians conscious of their North, but it was my good fortune to fall heir to a department with a completely blank sheet on which to draw plans. Soon an image-conscious news media had pinned the label of "enthusiastic but naive" on the new Minister and the general laughter commenced. However I do believe that Canadians were awakened to the potential of the North and I suppose that is the reason why I have been asked to deliver the introductory remarks to this conference.

#### ONE MAN'S STORY

As some of you may know I was born in a "bush town" in northwest Ontario. I not only heard the accounts of how members of our family had moved west from the old parts of Ontario and Quebec, but how my grandmother's brother had fought his way into the Klondike in 1898. Apparently he arrived too late to stake the gravel claims in the gold creeks, so he staked hard rock claims in what is now the mining complex around Mayo in Yukon. We knew of his fights with fists and shovels and in the law courts to protect his claims. (An RCMP officer brought me copies of some of the legal records last summer).

Somehow the books of Stefannson and his official government reports got into our home. How to survive and the beliefs of the native people became matters of teen-age discussion. I even went out into the bush with two other lads in mid-winter without tents or bedrolls to map the lakes and streams, the bush paths and the abandoned mine sites over a ten square-mile area.





This romanticized and imaginative period came to an end when I had to go to work for a living on the prairies. My younger brother lived farther north and was able to keep up his interest in bugs, wildlife and the bush in geologically rich area of the Battle River.

He went on the study of Geology in the University which led him into the job of being an explorer for an oil company. His travels took him into the foothills of the Rockies, the great northern rivers of the prairies, and to the territories. Many an hour have I listened to the stories of running the rapids on the Clearwater, going overland from old Aklavik to Old Crow in Yukon (the first white man to do so), navigating the Arctic in a motorized canoe from the mouth of the Mackenzie west to Alaska and east to the Coppermine, exploring the Anderson, etc. etc.

We talked of the great wealth of the land. We cursed governments for their indifference to the people and the country "down North". We felt ill at the notion in Toronto that the North was any fifty miles out of town. We saw oil and gas regulations that were wasteful of wealth and gave away in perpetuity what belonged to all Canadians. We saw Canadians indifferent to the fact that they lived in one of the most beautiful countries in the world.

He could not do much in the political field as a Senior Geologist of a large Corporation, but I could.

The battle for nominations, the fights over policies in conventions; that was my contribution. The resource policies of the conventions in my party indicate that some of us who believed were there.





I have skimmed over this personal story because I believe that I was only one of quite a number of Canadians who fought on behalf of Canada's North for several decades. I am always humbled when I think of the accomplishments and sacrifices of so few who did so much. Those who learned to live off the land formed deep friendships with the Eskimo and Indian people who were their teachers in the art of survival and appreciation of Nature. There are many who are unknown and whose part is unsung. There are the young officers of the RCMP who went far beyond the call of duty in trying to match-up the crazy white man's law with indigeneous cultures. There was a judge that blistered the insensitive hides of the bureaucrats until change came. There were the men of the cloth who ran the fierce race of securing names on baptismal rolls but brought something else besides in their humanity and music.

The fur-traders brought a new economy to the area with their steel axes and guns. The whalers with their wild music and sexual appetites left their mark on the Eastern Arctic in the form of a jigging dance-step and facial structure that the late Blair Fraser once tried to explain. The contribution of the flood of civil servants into the territories this last fifteen years I will leave to the tender mercies of those speakers who follow me in this conference.

Suffice it for me to say that there was a mixture of good and bad in the contributions of those that have been interested in the North in the last 100 years. Since my contribution has to be judged I will put in on the record.





## THE PROGRAM

Although I had not forgotten the strong impression of the native people of the North on my thinking, my first actions were almost entirely in the field of natural resources. The Paley report to the President of the United States had really alarmed some of us who were Canadian nationalists.

This report in 1950 had made it very clear that the USA was running out of strategic resources and recommended that industry should move out into the world and lay claim to these resources in other countries in order that the great industrial complex of their country would not run short. Canada was specifically recommended because of the "stability" of its government.

I entered the Cabinet in August of 1957. Within days I had an Order-in-Council approved that cancelled the existing oil and gas regulations in all federal areas. Within weeks I had drafted the terms of reference for a Royal Commission on Energy. As a matter of historical fact, the first item of new business by the new government was the announcement of that Royal Commission.

What was the reason for this fascination with energy? I knew that the Provinces had copied the wasteful type of oil and gas regulations that the Paley Report had condemned in the USA. I knew that Europe was rapidly coming into the oil age. I knew that the logical geologically-promising area close to Europe and the Eastern seaboard of North America were the islands of the Arctic and the continental shelf. Because of the difficulty of the Mackenzie River terrain I thought that the thrust would be a pincer movement through





the Yukon on the West and into the Arctic Islands from the East. The main priority was to get control of the lands under which there might be oil and we could take our time with the minerals and other forms of wealth. The second priority was to have legislation to control the movement of energy, namely, pipelines and transmission grids.

In that first winter we launched our proposal at the Law of the Sea Conference in Geneva to give the complete sovereign right to the exploitation of wealth at the bottom of the sea to the littoral state. There was unanimous agreement in April, 1958. Also in 1958, on behalf of the Canadian people, I claimed the waters between the Islands of the Arctic Archipelago as Canadian terrain. There was no objection from any country.

There is not too much use of claiming something unless a country is willing to provide effective occupation and control. The three years from 1957 to 1960 are the years of tremendous thrust in the history of the North.

Since transportation is key, we announced the roads to resources program in the territories. This was a network of basic roads from the settled areas driving toward the Arctic. The first thrust was through Yukon. After the bridges across the three great rivers were built and the existing roads improved, we started to build north of Dawson City towards Eagle Plain and then across into the Mackenzie Delta. What a ribbing I took over that road. One politician called it building roads from "igloo to igloo".





The second thrust was to go east from Whitehorse via Ross River towards the Mackenzie Valley in the NWT. Since there was no use having a network of roads in the territories unless people could get to them we offered the provinces a road to resources program to pass through their most likely resource areas and meet up with the territorial roads.

This program ground to a halt after 1963 but there is enough there to give an idea of what happens when you push strong resource roads through promising underdeveloped areas. Everytime I see the \$100 million structures at Ross River, I smile and say "some igloo". When I see a mine at the end of the Pine Point Railway paying \$9.00 in dividends on a single share in 1970, I visualize people smiling all the way to the bank.

There was an airfield program. Not only to try and take over the Dew Line Airstrips, but offering any private company half the cost of building a strip. There had to be communications to Frobisher Bay, Yellowknife, Whitehorse and right to the Arctic. Most of this was in partnership with private enterprise.

Sea transport was mostly a matter of establishing confidence. Get the Government ice-breakers to move around the Arctic Islands to show that it was quite feasible. Of course no experienced Arctic man would think of recommending getting out in the ice of Beaufort Sea when the wind was blowing from the Northwest. Even the whales would know better than that as Stefansson used to take pleasure in pointing out.

The first thing I noticed when I stepped out of the plane was the cold air.

It was a sharp contrast to the warm, humid air of the tropics.

I had heard that the weather in the north was harsh, but I didn't realize it would be so different.

As I walked through the airport, I noticed the people were dressed in coats and hats.

It was a strange sight for me, coming from a place where everyone wore light clothing.

I had been told that the north was a cold and desolate place, but I didn't know it would be so quiet.

The streets were empty, and the buildings seemed so different from the ones back home.

I had heard that the north was a place of great beauty, but I didn't know it would be so stark.

The landscape was a mix of rolling hills and deep valleys, with a few scattered trees.

I had been told that the north was a place of great beauty, but I didn't know it would be so stark.

The people I met were friendly, but they seemed so different from the people back home.

There was a sense of isolation, but also a sense of peace that I had never experienced before.

I had heard that the north was a place of great beauty, but I didn't know it would be so stark.

The people I met were friendly, but they seemed so different from the people back home.

I had heard that the north was a place of great beauty, but I didn't know it would be so stark.

The landscape was a mix of rolling hills and deep valleys, with a few scattered trees.

I had been told that the north was a place of great beauty, but I didn't know it would be so stark.

The people I met were friendly, but they seemed so different from the people back home.

I had heard that the north was a place of great beauty, but I didn't know it would be so stark.

The people I met were friendly, but they seemed so different from the people back home.

I had heard that the north was a place of great beauty, but I didn't know it would be so stark.

The people I met were friendly, but they seemed so different from the people back home.

There had to be administrative centres close to the people. So the plans were made and construction started on the centres at Univak and Frobisher Bay. The Department of Justice finally heeded the call for changes in the machinery and motivation of Justice in the Territories. Probably the biggest effort went into the provision of educational facilities. In addition to the local schools there were the contentious resident schools for the mobile portion of the population. Did we do the right thing? I do not know. The problem of melding cultures is not an easy one.

The provision of housing and jobs was tackled. The question of welfare with all the arguments, for and against, are still fresh in my mind. All that I can say with assurance is that if the matter of money was raised, the human factor always won over the development needs.

Although one is never certain that progress is being made on the human side it is easier to measure the material progress. The Polar Continental Shelf Program has yielded information in all the disciplines that confirmed the hopes that there was great potential mineral wealth in the area. The mapping programs are about complete now in several fields, geography, ice conditions, geology, magnetometer, gravity meter, etc. The Hydrographic Surveys are proceeding at double the speed. The Oceanography Institute is beginning to make its knowledge known. One of the oil companies is trying to match our knowledge of underwater operations in cold water. On the scientific side I think Stefansson would be pleased.





Looking back over the last decade I would judge that from a development point of view the program was a success. Ten years ago there was laughter at talk of the North being the future of Canada. Now there is concern that development is booming ahead faster than techniques to guard against abuse of the environment and the destruction of the balance of nature.

In summary of the program of the sixties I would grade the component parts as follows:

Development - good

Scientific - excellent

Education - fair

Cultural problems - poor

Responsible government - fair

Oil and Gas regulations - good to excellent

Mining regulations - good

Ecology - almost nil

Sovereignty - good

#### CONCLUSION

In projecting my thoughts into the future I see the following picture.

The job of educating the public about their North is going ahead well. The indifference and apathy of the past is over, I believe.

The work in the field of education, government, use of manpower, and the protection and improvement of the environment has many long years of effort ahead. The guidelines for the renewable natural resources are well staked in the volumes of the Conference on "Resources





for Tomorrow" held in 1961, but we have now sufficient knowledge to start the preparations on a national conference on "non-renewable resources". For anything this latter conference may suggest we have the machinery of the Natural Energy Board to handle matters of energy. We lack the national machinery to look after any policies on minerals.

Another field that would be fruitful would be the organization of another conference among the nations that have an interest in the Arctic. Canadian Geologists organized the first Conference in Calgary a decade ago and we were embarrassed by our lack of knowledge as compared to the Russians. This time we could make a much more substantive contribution and with the easier mood among the nations of the North we might be able to reach some mutually advantageous agreements, such as on pollution controls.

Insofar as the use of resources is concerned I do not think the present panic about running out of them is too rational an attitude. Recently I prepared a rough projection of demand and supply in Canada for some key items. It might be worthwhile if I outlined some of them.

Water - we are using about 1% of minimum annual flow

Oil - using 1990 consumption estimates we have about  
175 years potential supply

Gas - using 1990 consumption estimates we have about  
280 years potential supply

Uranium - using 1985 consumption estimates we have about  
100 to 400 years potential supply

Coal - using 1975 estimates of consumption and exports we  
have about 4000 years supply. Using our national  
estimates we have about 9000 years supply

Hydro - all economic projects if developed would be needed  
by 1990 to 2000





As a matter of fact Canada has imported more oil in the last decade than it has exported. Best use would indicate a continuation of both imports and exports.

We do have a problem to face in the next decade in regard to financing the costly development of resources in the North. Canadians have been good students and we have learned the techniques of exploration and discovery as well as any nation. Canadians have been prepared to take the heavy risks in the early stages of exploration. When it comes to the huge amounts of money required to develop those resources, our financial community has tended to look the other way until the full operational stage is reached. Some blame can be directed at governments in Canada because their laws and financial regulations have and still do discriminate against Canadians investing in their own country. Canadians are well able to finance the capital requirements of their country in the seventies. The financial institutions and governments will have to adjust to this new thought.

I still believe that the North is the future of Canada. I define the North as any part of our national domaine fifty miles away from our large cities. We can resolve the concern over the ecosystems, we can make rational decisions on the use of our resources, we can learn to bargain with our resources in the international economics of the world nations; but we must accept certain facts.

We live in an increasingly interdependent world with different types of economic and social philosophy. All people have a desire to improve not only their material standards, but want to preserve the



As a matter of fact Canada has imported more oil in the last decade than it has exported. Best use would indicate a continuation of both imports and exports.

We do have a problem to face in the next decade in regard to financing the costly development of resources in the North. Canadians have been good students and we have learned the techniques of exploration and discovery as well as any nation. Canadians have been prepared to take the heavy risks in the early stages of exploration. When it comes to the huge amounts of money required to develop those resources, our financial community has tended to look the other way until the full operational stage is reached. Some plans can be directed at governments in Canada because their laws and financial regulations have and still do discriminate against Canadians investing in their own country. Canadians are well able to finance the capital requirements of their country in the seventies. The financial institutions and governments will have to adjust to this new thought.

I still believe that the North is the future of Canada. I believe the North as any part of our national domain fifty miles away from our large cities. We can resolve the concern over the ecosystems, we can make rational decisions on the use of our resources, we can learn to bargain with our resources in the international economics of the world nations; but we must accept certain facts.

We live in an increasingly interdependent world with different types of economic and social philosophy. All people have a desire to improve not only their material standards, but want to preserve the

cultural richness of their pasts. Slowly we are discovering that we make better progress in both fields if we consider the other person as well as ourself. This applies to pollution as well as international finance. We are moving from a developing nation to a nation that tries to help others help themselves.

If we accept these facts, and demand that others treat us with consideration; then we can best serve the North by applying the same principles to the people and the land of the North.

If we accept the fact that we are not a great military power, but that we are a "resource power", then we can see the North for what it is, a great arsenal for the future of the people who live there and for people all over the world. Our Canadian confidence should grow in the thought that we do not want to be a part of a "rich man's club" sharing a few crumbs with the beggar at the door; but part of a world of nations that believe in the rule of law and fairness among peoples.

The North is the key to our dreams.



cultural richness of their past. Slowly we are discovering that we make better progress in both fields if we consider the other person as well as ourselves. This applies to pollution as well as international finance. We are moving from a developing nation to a nation that tries to help others help themselves.

If we accept these facts, and demand that others treat us with consideration; then we can best serve the North by applying the same principles to the people and the land of the North.

If we accept the fact that we are not a great military power, but that we are a "resource power", then we can see the North for what it is, a great arsenal for the future of the people who live there and for people all over the world. Our Canadian confidence should grow in the thought that we do not want to be a part of a "rich man's club" sharing a few crumbs with the beggar at the door; but part of a world of nations that believe in the rule of law and fairness among peoples.

The North is the key to our dreams.